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# Licensing

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# LICENSING

## Licensing Section

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**T**he Licensing Section investigates and licenses producers, formerly known as agents and brokers, and other insurance professionals and monitors the continuing education requirements for agents and brokers. It consists of the following units:

- the Licensing Unit; and
- the Licensing Compliance and Investigative Unit

### LICENSING UNIT

The Licensing Unit is responsible for administering the qualifying examinations for producers (agents and brokers), insurance advisers and public adjusters. The Unit issues licenses to resident and nonresident producers (agents and brokers), including corporations, partnerships and limited liability companies. Licenses are also issued to individuals and corporations, partnerships and limited liability companies applying to be a surplus lines broker. Individual licenses are issued to public adjuster, insurance adviser and motor club representative applicants.

The Licensing Unit is responsible for processing insurance company requests for agent appointments and termination of agent appointments. The Unit is also responsible for issuing Letters of Certification or Clearance for Maryland resident producers (agents and brokers) applying for licenses in other

states. In addition, the Unit is responsible for reviewing and approving continuing education courses for producers (agents and brokers). The Unit is also responsible for the renewal of all types of licenses.

Since April 1997, processing of all license application forms, all requests for Letters of Certification and Clearance, and all appointment filings has been done by Assessment Systems, Inc. (ASI), a private corporation under contract with the Insurance Administration. ASI also administers qualifying examinations for various licenses.

Beginning with the 2001 license renewal period, the Licensing Unit instituted a staggered system of renewal. All licenses were assigned staggered expiration dates from one to three years. Thereafter, renewal will be every two years. In addition, the Licensing Unit gave licensees the option to renew on-line. More than one half of the renewal population chose to renew on-line.

### LICENSING SECTION

Even those that renewed the old way by submitting a paper application, a majority of them downloaded the paper application from our website. Both of these measures, staggered terms and on-line renewal are designed to result in a more streamlined renewal process.

The General Assembly enacted legislation which became effective on July 2, 2001 to convert all the current agent and broker licenses to a single producer type license. This legislation will make it easier for our resident licensees to obtain non-resident licenses in other states that have adopted a similar producer licensing law.

#### Licensing Compliance and Investigative Unit

The Licensing Compliance and Investigative Unit (LCIU) is responsible to conduct investigations on individuals requesting a license, whose responses to screening questions indicate that further investigation is warranted. In addition, LCIU conducts investigations on those individuals who are requesting a written consent to engage in the business of insurance pursuant to 18 U.S.C. § 1033 and 1034.

In fiscal year 2001, ASI forwarded 2363 applications to LCIU for review and/or investigation. The review and investigation were the result of disclosure by the applicant of a criminal conviction (356), action taken against a professional license, including NAIC-RIRS check (1260), or bankruptcy (690). The remaining applications dealt with miscellaneous violations.

LCIU participated in the planning and implementation of the 2001 on-line renewal process. During that process

389 applications fell within the parameters requiring review and/or investigation.

## Licensing Activity – Fiscal Year 2000

### Certificates and Licenses – Original Issuance

<b>Type of Certificate of License</b>	<b>Number Issued</b>	<b>Fees Collected</b>
Agent	17,653	\$882,650
Broker	460	\$36,800
Agent/Broker	350	\$45,500
Surplus Lines Broker	47	\$9,400
Temporary	338	\$8,450
Insurance Adviser	32	\$6,400
Public Adjuster	6	\$300
Motor Club	549	\$2,745
Third Party Administrator	91	\$22,750
<b>Total</b>	<b>19,526</b>	<b>\$1,014,995</b>

### Certificates and Licenses – Renewals

<b>Type of Certificate of License</b>	<b>Number Issued</b>	<b>Fees Collected</b>
Agent	18,902	\$1,228,630
Broker	1,550	\$147,250
Surplus Lines Broker	130	\$27,950
Adviser	90	\$19,350
Public Adjuster	20	\$1,300
Motor Club	1,700	\$8,500
Third Party Administrator	18	\$4,770
<b>Total</b>	<b>\$22,410</b>	<b>\$1,437,756</b>

## Licensing Activity – Fiscal Year 2000 *con't*

### Agent Appointments

Type	Number Issued	Fees Collected
Original	129,023	\$1,980,000
Temporary	66	0
<b>Total</b>	129,089	\$1,980,000
Termination	69,982	\$209,500
<b>Total</b>	199,071	\$2,189,500

### Agent and Brokers Examinations/Continuing Education

	Number Administered	Fees Collected
Examinations	12,279	\$306,975
	Number Approved	Fees Collected
Continuing Education Courses	1,215	\$60,750

## Licensing Activity – Fiscal Year 2001

### Certificates and Licenses – Original Issuance

<b>Type of Certificate of License</b>	<b>Number Issued</b>	<b>Fees Collected</b>
Agent	11,228	\$561,400
Broker	310	\$24,800
Agent/Broker	233	\$30,290
Surplus Lines Broker	38	\$7,600
Temporary	287	\$7,175
Insurance Adviser	23	\$4,600
Public Adjuster	4	\$200
Motor Club	595	\$2,975
Third Party Administrator	52	\$13,000
<b>Total</b>	<b>19,526</b>	<b>\$652,010</b>

### Certificates and Licenses – Renewals

<b>Type of Certificate of License</b>	<b>Number Issued</b>	<b>Fees Collected</b>
Agent	10,226	\$664,690
Broker	1,100	\$104,500
Surplus Lines Broker	90	\$19,350
Adviser	60	\$12,900
Public Adjuster	15	\$975
Motor Club	1,600	\$8,000
Third Party Administrator	14	\$3,710
<b>Total</b>	<b>13,105</b>	<b>\$814,125</b>

## Licensing Activity – Fiscal Year 2001 *con't*

### Agent Appointments

Type	Number Issued	Fees Collected
Original	121,469	\$1,822,035
Temporary	6	0
<b>Total</b>	\$121,475	\$1,822,035
Termination	38,300	\$191,500
<b>Total</b>	159,769	\$2,013,535

### Agent and Brokers Examinations/Continuing Education

	Number Administered	Fees Collected
Examinations	12,393	\$309,825
	Number Approved	Fees Collected
Continuing Education Courses	1,199	\$59,950